

## **MINUTES**

### **MONTANA SENATE 60th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON TAXATION**

**Call to Order:** By **CHAIRMAN JIM ELLIOTT**, on February 6, 2007 at 9:00 A.M., in Room 405 Capitol.

#### **ROLL CALL**

##### **Members Present:**

Sen. Jim Elliott, Chairman (D)  
Sen. Jerry W. Black (R)  
Sen. Jeff Essmann (R)  
Sen. Kelly Gebhardt (R)  
Sen. Kim Gillan (D)  
Sen. Dan Harrington (D)  
Sen. Christine Kaufmann (D)  
Sen. Sam Kitzenberg (D)  
Sen. Jim Peterson (R)  
Sen. Bob Story Jr. (R)

##### **Members Excused:**

Sen. Trudi Schmidt (D)

##### **Members Absent:** None.

**Staff Present:** Lee Heiman, Legislative Branch  
Lois O'Connor, Committee Secretary

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

##### **Committee Business Summary:**

Hearing & Date Posted: SB 220, 2/1/2007; SB 138, 2/1/2007  
Executive Action: None.

00:02:37

**HEARING ON SB 220**

**Opening Statement by Sponsor:**

00:06:40 **SEN. JIM ELLIOTT (D)**, SD 7, opened the hearing on **SB 220**, Tax law administration -- transactions, compliance, withholding, class 8 exempt..

**Proponents' Testimony:**

00:18:45 Evan Barrett, Chief Business Officer, Office of the Honorable Governor Brian Schweitzer (Governor's Office)

00:23:37 Dan Bucks, Director, Montana Department of Revenue (DOR)

**EXHIBIT (tas26a01)**

**EXHIBIT (tas26a02)**

00:44:49 Brian Smith

00:46:34 Rennae Kolwalski, Park Avenue Bakery

00:47:27 Rick Edwards, Montana Economic Developers Association (MEDA)

**EXHIBIT (tas26a03)**

**Opponents' Testimony:**

00:49:19 Dan Vuckovich, Montana Society of Certified Public Accounts (MSCPAs)

**EXHIBIT (tas26a04)**

00:55:10 Mike Green, Montana Taxpayers Association (MonTax)

01:07:23 Steve Turkiewicz, President, Montana Bankers Association (MBA)

01:12:00 Brad Dantic, General Counsel, ALPS Corporation

01:13:37 William Gowen, Helena Abstract and Title Company

01:16:27 Bruce Spencer, Montana Automobile Dealers Association

01:19:10 Joe Roberts, Montana Association of Realtors

01:22:41 Jon Bennion, Montana Chamber of Commerce

**EXHIBIT (tas26a05)**

01:23:23 Cary Hegreberg, Montana Contractors Association

01:24:19 Riley Johnson, National Federation of Independent  
Business (NFIB)

01:24:44 Jacqueline Lenmark, American Insurance Association

**Informational Testimony:** None.

**Questions from Committee Members and Responses:**

01:25:52 Sen. Jim Peterson to Mr. Green, MonTax

01:29:10 Sen. Dan Harrington to Mr. Green, MonTax

01:34:50 Sen. Jeff Essmann to Mr. Turkiewicz, MBA

01:36:11 Sen. Essmann to Mr. Vuckovich, MSCPAs

01:37:48 Sen. Essmann to Director Bucks, DOR

01:40:39 Sen. Kim Gillan to Director Bucks, DOR

01:50:49 Sen. Kelly Gebhardt to Director Bucks, DOR

01:56:04 Sen. Robert Story to Mr. Vuckovich, MSCPAs

01:58:39 Sen. Story to Mr. Green, MonTax

02:04:34 Sen. Story to Mr. Vuckovich, MSCPAs

02:06:20 Sen. Story

02:06:47 Sen. Gebhardt

02:07:40 Sen. Jerry Black to Mr. Vuckovich, MSCPAs

02:10:00 Sen. Black to Director Bucks, DOR

**Closing by Sponsor:**

02:13:42 Sen. Elliott closed on SB 220

2:23:08 Break

02:33:08 Reconvene

**HEARING ON SB 138**

**Opening Statement by Sponsor:**

02:33:34 **SEN. DAVID WANZENRIED (D), SD 49**, opened the hearing on **SB 138**, Prevent corporations from channeling income to insurance subsidiary.

[EXHIBIT\(tas26a06\)](#)

[EXHIBIT\(tas26a07\)](#)

[EXHIBIT\(tas26a08\)](#)

**Proponents' Testimony:**

02:38:48 David Hunter, Deputy Director, Montana Department of Revenue (DOR)

**Opponents' Testimony:**

02:48:16 Bruce Spencer, Montana Automobile Dealers Association

02:50:45 Steve Broadie, Property Casualty Insurers Association of Montana (PCI)

[EXHIBIT\(tas26a09\)](#)

02:59:41 Jacqueline Lenmark, American Council of Life Insurers (ACLI)

**Informational Testimony:** None.

**Questions from Committee Members and Responses:**

03:11:53 Sen. Story to Mr. Broadie, PCI

03:16:54 Sen. Peterson to Mr. Broadie, PCI

03:18:00 Sen. Christine Kaufmann to Mr. Hunter, DOR

03:23:02 Sen. Story to Mr. Hunter, DOR

03:24:01 Sen. Gillan to Ms. Lenmark, ACLI

03:27:17 Sen. Elliott

03:27:29 Sen. Story to Mr. Hunter, DOR

03:28:02 Sen. Elliott to Mr. Hunter, DOR

03:29:19 Sen. Peterson to Mr. Hunter, DOR

03:32:10 Sen. Story to Mr. Hunter, DOR

**Closing by Sponsor:**

03:32:45 Sen. Wanzenried

**ADJOURNMENT**

Adjournment: 12:35 P.M.

---

SEN. JIM ELLIOTT, Chairman

---

LOIS O'CONNOR, Secretary

JE/lo

Additional Exhibits:

**EXHIBIT ([tas26aad.pdf](#))**